

AMENDED IN SENATE JUNE 12, 2006

AMENDED IN ASSEMBLY APRIL 6, 2006

CALIFORNIA LEGISLATURE—2005–06 REGULAR SESSION

ASSEMBLY BILL

No. 2711

Introduced by Assembly Member Parra

February 24, 2006

An act to amend ~~Section~~ *Sections 1865 and 33521* of the Financial Code, relating to ~~payment~~ *negotiable* instruments.

LEGISLATIVE COUNSEL'S DIGEST

AB 2711, as amended, Parra. ~~Payment~~ *Traveler's checks: payment* instruments.

(1) Existing law, the Travelers Checks Act, requires a person to obtain a license from the Commissioner of Financial Institutions before engaging in the business of issuing traveler's checks. Existing law prohibits a licensee from issuing any form of traveler's check in this state unless a certified copy of the traveler's check is first filed with the commissioner.

This bill would instead require traveler's checks that a licensee issues in this state to meet specified requirements, including that a traveler's check clearly identify the licensee issuing the check.

(2) Existing law, the Payment Instruments Law, governs the sale of payment instruments, as defined. Existing law, among other things, prohibits a licensee, as defined, or its agents, as defined, from selling any payment instrument unless the payment instrument is approved as to form by the Commissioner of Financial Institutions. Existing law requires the commissioner to approve an application as to form of a

payment instrument to be issued by a licensee if the commissioner makes specified findings.

This bill would revise these provisions to remove the requirement that the commissioner approve those payment instruments as to form. The bill would prohibit a licensee from selling any payment instrument unless the payment instrument meets specified requirements.

Vote: majority. Appropriation: no. Fiscal committee: yes.
State-mandated local program: no.

The people of the State of California do enact as follows:

1 *SECTION 1. Section 1865 of the Financial Code is amended*
2 *to read:*

3 1865. No licensee shall issue any form of traveler's check for
4 sale in this state unless ~~a certified copy of the traveler's check~~
5 ~~has first been filed with the commissioner.~~ *all of the following*
6 *are satisfied:*

7 (a) *The traveler's check clearly identifies the licensee as the*
8 *issuer of the traveler's check.*

9 (b) *The traveler's check is not misleading in any material*
10 *respect.*

11 (c) *The traveler's check complies with all applicable laws.*

12 ~~SECTION 1.~~

13 *SEC. 2. Section 33521 of the Financial Code is amended to*
14 *read:*

15 33521. No licensee shall, nor shall any licensee cause or
16 permit any of its California agents to, sell in this state any
17 payment instrument issued by the licensee unless all of the
18 following are satisfied:

19 (a) The payment instrument clearly identifies the licensee as
20 the issuer of the payment instrument.

21 (b) The payment instrument is not misleading in any material
22 respect.

23 (c) The payment instrument complies with all applicable laws.